

NBK Receives License to Open Syrian Affiliate

The Syria Report- 07 February 2011

The National Bank of Kuwait has received a license to open a USD 200 million subsidiary in Syria, becoming the seventh bank from the Gulf to operate in the country.

NBK is the largest commercial bank in Kuwait and one of the best rated institutions in the region.

In March of last year, Ibrahim Dabdoub, CEO of NBK, had said that his bank had received a preliminary approval from the Syrian authorities. NBK is expected to hold a controlling stake in its Syrian subsidiary.

A law passed last year raised the minimum capital required to open a conventional commercial bank in Syria to SYP 10 billion (USD 212 million) and allowed foreign shareholders to own up to 60 percent of any local bank.

It is not clear yet if any local institution or investor will partner NBK. All the banks that have opened until now in Syria have a strategic shareholder from a country in the region – Lebanon, Jordan or the Gulf – and local shareholders.

Six banks from the Gulf already operate in the Syrian market, including Banque Saudi Fransi, the Saudi affiliate of France's Crédit Agricole.

NBK was given the final go ahead by the Government during its weekly session held on February 1.

The Government also granted a license to Isbank, a Turkish bank, to open a representative office Syria. Syria allowed last year the opening of representative offices for foreign banks.

Also, the Government approved in its meeting the increase in the stakes held by three foreign banks in their Syrian affiliates. The Housing Bank for Trade and Finance will raise its stake in the [International Bank for Trade and Finance](#) to 60 percent, while [Fransabank](#) Sal will raise its share in [Fransabank](#) Syria to 59.7 percent and Arab Bank Group will increase its ownership in [Arab Bank Syria](#) to 53 percent.

Strategic Shareholders in Syrian Banks

Bank	Strategic shareholder(s)	Country of origin
Al-Baraka Bank Syria	Al-Baraka Banking Group	Bahrain
Arab Bank Syria	Arab Bank Group	Jordan
Bank Al-Sharq	Banque Libano Française	Lebanon
Bank Audi Syria	Audi Saradar Group	Lebanon
Bank of Jordan Syria	Bank of Jordan	Jordan
Bank of Syria and Overseas	Banque du Liban et d'Outre Mer	Lebanon
Banque Bemo Saudi Fransi	Banque Saudi Fransi and Banque Bemo	Saudi Arabia and Lebanon
Byblos Bank Syria	Byblos Bank	Lebanon
Cham Bank	Commercial Bank of Kuwait	Kuwait
Fransabank Syria	Fransabank	Lebanon

International Bank for Trade and Finance	Housing Bank for Trade and Finance	Jordan
Qatar National Bank Syria	Qatar National Bank	Qatar
Syria Gulf Bank	United Gulf Bank	Bahrain
Syria International Islamic Bank	Qatar International Islamic Bank	Qatar